

CALHOUN COUNTY, MICHIGAN



SINGLE AUDIT

**For The Year Ended
December 31, 2005**



REHMANN ROBSON

Certified Public Accountants

CALHOUN COUNTY, MICHIGAN SINGLE AUDIT

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CALHOUN COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2005

| Federal Agency/Pass-Through Grantor/Program Title | CFDA # | Pass-Through Grantor # or Agreement # | Federal Expenditures |
|---|--------|---|-------------------------|
| U.S. Department of Agriculture | | | |
| Passed through Michigan Department of Education: | | | |
| School Breakfast Program | 10.553 | | \$ 16,471 |
| National School Lunch Program | 10.555 | | 29,990 |
| Subtotal - Michigan Department of Education | | | 46,461 |
| Passed through Michigan Department of Community Health: | | | |
| Special Supplemental Nutrition Program for Women, Infants and Children | 10.557 | | 522,213 |
| Total U.S. Department of Agriculture | | | 568,674 |
| U.S. Department of Housing and Urban Development | | | |
| Passed through the Michigan State Housing Development Authority: | | | |
| Community Development Block Grant/Entitlements Grants | 14.218 | MSC-97-0774-HO | 32,122 |
| Total U.S. Department of Housing and Urban Development | | | 32,122 |
| U.S. Department of Justice | | | |
| Bureau of Justice Assistance | | | |
| State Criminal Alien Assistance Program | 16.606 | 2006-AP-BX-0008 | 15,582 |
| 2003 State Homeland Security Grant Program - Solution Area Planner | 16.007 | | 6,549 |
| Drug Court Discretionary Grant Program | 16.585 | 2003-DC-BX-0077 | 121,463 |
| Subtotal - U.S. Department of Justice | | | 143,594 |
| Passed through Michigan Department of Community Health: | | | |
| Office of Drug Control - | | | |
| Edward Byrne Memorial Formula Grant Program: | | | |
| Southwest Enforcement Team | 16.579 | 70888-5-03-B | 8,169 |
| Southwest Enforcement Team | 16.579 | 70888-6-04-B | 28,483 |
| Calhoun County Drug Court | 16.579 | 72079-2-03-B | 115,846 |
| Calhoun County Drug Court | 16.579 | SCAO-2006-026 | 24,684 |
| Juvenile Justice Prosecution/Diversion | 16.579 | 72127-2-04-B | 58,716 |
| Juvenile Justice Prosecution/Diversion | 16.579 | 72127-3-06-B | 6,631 |
| Subtotal - Michigan Department of Community Health | | | 242,529 |
| Passed through Michigan Family Independence Agency : | | | |
| Juvenile Justice and Delinquency Prevention-Allocation to States | 16.540 | JAIBG-04-13001 | 12,698 |
| Juvenile Justice and Delinquency Prevention-Allocation to States | 16.540 | JAIBG-05-13001 | 30,083 |
| Subtotal - Michigan Family Independence Agency | | | 42,781 |
| Total U.S. Department of Justice | | | 428,904 |

CALHOUN COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2005

| Federal Agency/Pass-Through Grantor/Program Title | CFDA # | Pass-Through Grantor # or Agreement # | Federal Expenditures |
|--|--------|---|-------------------------|
| U.S. Department of Transportation | | | |
| Passed through Michigan Office of Highway Safety Planning: | | | |
| State and Community Highway Safety: | | | |
| You Drink, You Drive, You Lose | 20.600 | PT-05-28 | \$ 10,869 |
| You Drink, You Drive, You Lose | 20.600 | PT-06-44 | 823 |
| Click It or Ticket | 20.600 | PT-05-28 | 20,096 |
| | | | <hr/> |
| Total U.S. Department of Transportation | | | <hr/> 31,788 <hr/> |
| Environmental Protection Agency | | | |
| Passed through Michigan Department of Environmental Quality: | | | |
| EPA Indoor Radon Grant | 66.032 | | <hr/> 7,500 <hr/> |
| U.S. Department of Health and Human Services | | | |
| Direct Program | | | |
| Consolidated Health Centers | | | |
| McKinley | 93.224 | | <hr/> 404,045 <hr/> |
| Passed through Michigan Department of Community Health: | | | |
| Family Planning Services | 93.217 | | 28,127 |
| Healthy Communities Access Program | 93.252 | | 871,371 |
| Immunization Grants | | | |
| Immunization - IAP | 93.268 | | 60,936 |
| Childhood Immunization Grants - VFC Provider visits | 93.268 | | 5,600 |
| Vaccine Handling | 93.268 | | 3,710 |
| Vaccines | 93.268 | | 677,772 |
| Temporary Assistance for Needy Families | 93.558 | | 156,397 |
| Medical Assistance Program | | | |
| CSHC Care Coordinator | 93.778 | | 4,310 |
| Case Management Services | 93.778 | | 15,934 |
| Immunizations | 93.778 | | 39,338 |
| Cooperative Agreements for State-Based Comprehensive | | | |
| Breast and Cervical Cancer Early Detection Programs | 93.919 | | 55,100 |
| Preventive Health and Health Services Block Grant | | | |
| Minority Health | 93.991 | | 25,278 |
| STD | 93.991 | | 17,660 |
| Center for Disease Control and Prevention Investigation Technical Assistance | 93.283 | | 211,405 |
| HIV Prevention Activities_Health Department Based | 93.940 | | 32,321 |

CALHOUN COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2005

| Federal Agency/Pass-Through Grantor/Program Title | CFDA # | Pass-Through Grantor # or Agreement # | Federal Expenditures |
|---|--------|---|-------------------------|
| U.S. Department of Health and Human Services | | | |
| Passed through Michigan Department of Community Health: | | | |
| Maternal and Child Health Service Block Grant to States | | | |
| Local MCH | 93.994 | | \$ 106,314 |
| Case Management Services | 93.994 | | 20,632 |
| Family Planning | 93.994 | | 5,852 |
| Subtotal - Michigan Department of Community Health | | | <u>2,338,057</u> |
| Passed through Michigan Family Independence Agency: | | | |
| Family Support Payments to States - Assistance Payments | 93.560 | | <u>293,467</u> |
| Child Support Enforcement: | | | |
| Friend of the Court | 93.563 | CS/FOC-05-13001 | 1,671,043 |
| Friend of the Court | 93.563 | CS/FOC-06-13001 | 540,933 |
| Prosecuting Attorney | 93.563 | CS/PA-05-13002 | 256,515 |
| Prosecuting Attorney | 93.563 | CS/PA-06-13002 | 74,656 |
| Medical Support Payments | 93.563 | CS/MED-05-13001 | 20,334 |
| Medical Support Payments | 93.563 | CS/MED-06-13001 | <u>20,600</u> |
| Subtotal - Total Michigan Family Independence Agency | | | <u>2,584,081</u> |
| Passed through Michigan Department of State Police: | | | |
| Hurricane Katrina Relief | 93.776 | | <u>6,450</u> |
| Total U.S. Department of Health and Human Services | | | <u>5,626,100</u> |
| U.S. Department of Homeland Security | | | |
| Passed through Michigan Department of Labor & Economic Growth: | | | |
| Community Emergency Response Training | 97.004 | | 26,397 |
| Passed through Michigan Department of State Police: | | | |
| State Domestic Preparedness Equipment Support Program | | | |
| 2004 Homeland Security Grant Program | 97.004 | | 396,250 |
| 2003 State Homeland Security Grant Program Part II - Training Grant | 97.004 | | 99,568 |
| Homeland Security Grant Program | | | |
| Emergency Management Performance Grant | 97.067 | | <u>23,270</u> |
| Total U.S. Department of Homeland Security | | | <u>545,485</u> |
| Total Federal Financial Assistance | | | <u>\$ 7,240,573</u> |

CALHOUN COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Calhoun County, Michigan (the “County”) and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CALHOUN COUNTY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

2. FUNDS WITH OTHER YEAR ENDS

The expenditures of federal awards of the Health Department are presented in the accompanying schedule using its fiscal year end of September 30, 2005, and are as follows:

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Amount</u> |
|---|------------------------|---------------|
| Special Supplemental Nutrition Program for Women, Infants and Children | 10.557 | \$ 522,213 |
| McKinley | 93.224 | 404,045 |
| Family Planning Services | 93.217 | 28,127 |
| Healthy Communities Access Program | 93.252 | 871,371 |
| Immunization Grants | 93.268 | 70,246 |
| Federal Vaccines | 93.268 | 677,772 |
| Temporary Assistance for Needy Families | 93.558 | 156,397 |
| Medical Assistance Program | 93.778 | 59,582 |
| Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs | 93.919 | 55,100 |
| Preventative Health and Health Services Block Grant: | | |
| STD | 93.991 | 17,660 |
| Minority Health | 93.991 | 25,278 |
| Centers for Disease Control and Prevention – | | |
| Investigations and Technical Assistance | 93.283 | 211,405 |
| HIV/AIDS Syndrome Surveillance | 93.940 | 32,321 |
| Maternal and Child Health Service Block Grant to States: | | |
| Local MCH | 93.994 | 106,314 |
| Case Management Services | 93.994 | 20,632 |
| Family Planning | 93.994 | 5,852 |
| EPA Indoor Radon Grant | 66.032 | 7,500 |

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REHMANN ROBSON

Certified Public Accountants

A member of **THE REHMANN GROUP**

 an independent member of
BAKER TILLY
INTERNATIONAL

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

June 1, 2006

To the Board of Commissioners
of Calhoun County
Marshall, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of ***Calhoun County, Michigan*** as of and for the year ended December 31, 2005, and have issued our report thereon dated June 1, 2006. We did not audit the financial statements of the Medical Care Facility and the Delinquent Tax Revolving Fund, which are major funds, and therefore, separate opinion units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Medical Care Facility and Delinquent Tax Revolving Fund is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Medical Care Facility were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Calhoun County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over compliance, financial reporting and/or operating efficiency that we have reported to management of Calhoun County in a separate letter dated June 1, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calhoun County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, the Board of Commissioners and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lobson". The signature is written in a cursive style with a large, stylized 'L' at the beginning.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

June 1, 2006

To the Board of Commissioners
of Calhoun County
Marshall, Michigan

Compliance

We have audited the compliance of *Calhoun County, Michigan* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2005. *Calhoun County, Michigan's* major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of *Calhoun County, Michigan's* management. Our responsibility is to express an opinion on *Calhoun County, Michigan's* compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about *Calhoun County, Michigan's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on *Calhoun County, Michigan's* compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of *Calhoun County, Michigan* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered *Calhoun County, Michigan's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We did note other matters involving the internal control over compliance that we have reported to the management of *Calhoun County, Michigan* in a separate letter dated June 1, 2006.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Calhoun, County, Michigan* as of and for the year ended December 31, 2005, and have issued our report thereon dated June 1, 2006. We did not audit the financial statements of the Medical Care Facility and the Delinquent Tax Revolving Fund, which are major funds, and therefore, separate opinion units. Those financial statements were audited by other auditors whose reports were furnished to us. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, others within the organization, the Board of Commissioners and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CALHOUN COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements
noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

_____ yes X no

CALHOUN COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------------|--|
| 97.004 & 97.067 10.557 | Homeland Security Grant Special Supplemental Nutritional Program for Women, Infants and Children |
| 93.252 | Healthy Communities Access Program |

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported for either the current or prior year.